

For  
NOV-Proprietary  
INCITE ~~for comp~~  
① no GPL  
② no march-in  
③ no  
US preference

**STATEMENT OF CONSIDERATIONS**

**CLASS WAIVER FOR INDUSTRIAL USERS UNDER DOE'S INNOVATIVE AND NOVEL COMPUTATIONAL IMPACT ON THEORY AND EXPERIMENT (INCITE) PROGRAM FOR FISCAL YEAR 2007 AND BEYOND; W(C)06-003**

Under the Office of Science of the U.S. Department of Energy's (DOE) Innovative and Novel Computational Impact on Theory and Experiment (INCITE) program, DOE allocates computing time on DOE's supercomputers to help researchers in government labs, universities, and industry working on projects ranging from designing more efficient engines to better understanding Parkinson's disease.

Because the Industrial Users would be executing user agreements with the DOE Laboratories and such user agreements are not considered "funding agreements" under Public Law 96-517, the user agreements would normally be covered by the Proprietary and Non-proprietary Class Waivers.

Under the Class Waiver W(C)91-005 for proprietary users of designated user facilities (limited to use of laboratory equipment by the user), users fully fund their own experiments and own all of the resulting inventions and data, with no Government license or march-in rights in the inventions, and no obligations to publish the resulting data. This proprietary user class waiver was intended to also be available to users who fully fund the work they perform at supercomputer user facilities, at the discretion of the participating supercomputer user facilities, where no collaboration with the Laboratory scientists is contemplated.

If full cost recovery was not intended, then the Nonproprietary Class Waiver [W(A)82-017] applied to inventions and data, and this waiver required, as a matter of policy, the Government license, march-in rights, unlimited rights for the Government in data produced under the user agreement, as well as the right to ensure that the results of the research can be published.

In 2005, Class Waiver W(C)05-004 expanded the INCITE program to include the use of high end supercomputing resources at four of DOE's National Laboratories, which would involve precompetitive cooperative research, where the users would receive rights to their subject inventions with the same Government rights to inventions and data as with the Nonproprietary Class Waiver W(A)82-017.

For the FY 2006 solicitation, an expanded INCITE program was opened to all scientific researchers and research organizations, including Industrial Users. The program sought computationally intensive research projects of large scale that can make high-impact scientific advances through the use of a large allocation of computer time and data storage, with no requirement of current Department of Energy sponsorship. Scientists from the national and international research community were able to request allocations on machines at Oak Ridge National Laboratory (ORNL), Lawrence Berkeley National Laboratory (LBNL), Pacific Northwest National Laboratory (PNNL) and Argonne National Laboratory (ANL).

Subsequently, class waiver W(C)06-002 was issued in connection with the FY 2006 solicitation to eliminate certain confusion caused by the one of the provisions in the solicitation. It was decided that, in order to effectively achieve the intent of the 2006 DOE INCITE Program which was, in large part, to encourage the use of DOE supercomputers by private industry, and to rectify the situation created by the confusion caused by the solicitation, class waiver W(C)06-002 was issued to cover only the four Industrial Users who had been selected under the solicitation for the 2006 INCITE program. The class waiver allowed the four Industrial Users to perform their proprietary research at the DOE supercomputing facility and provided that any inventions and data produced by the awardees under the user agreement will be owned by the Industrial Users with no Government license, U.S. preference, or march-in rights in the inventions.

However, unlike the 1991 Class Waiver for Proprietary Users mentioned above, class waiver W(C)06-002 requires the four Industrial Users and the DOE Laboratory to agree on a meaningful list of research results and data that will be released to the public, but with no other obligation to publish any other data produced by the four Industrial Users. Furthermore, the DOE program agreed that work under the 2006 solicitation could be performed without the requirement for full-cost recovery. Thus, as a practical matter, the Industrial Users benefiting from this new class waiver will only be gaining the deletion of the Government license, U.S. Preference and march-in rights provisions.

The present class waiver will apply to Industrial Users selected under solicitations for FY 2007 and beyond, and will apply to the same extent as described above with reference to class waiver W(C)06-002.

As with class waiver W(C)06-002, experience with other user agreements supports the premise that few if any new inventions will be made by Industrial Users of DOE's user facilities, such that foregoing any of these rights by the Government still meets the objectives of DOE's Patent Waiver Regulations, 10 CFR 784.

The present new class waiver will apply to inventions of the Industrial Users conceived or first actually reduced to practice in the course of or under the user agreement for use of the supercomputing facility under the INCITE program. This waiver does not cover inventions of the Laboratory contractor operating the facility, which are governed under the terms of the M&O contract with DOE, nor will it apply when the Industrial User is operating under an agreement with DOE or another federal agency that requires a different disposition of patent rights.

Supercomputer user facilities have been established for use in computationally intensive large-scale research projects that can make high-impact scientific and industrial advances through the use of a substantial allocation of computer time and data storage to support research in fields not necessarily of primary interest to DOE and were established not only for utilization by DOE, but also by advancing research by offering these unique capabilities to the research efforts of profit and nonprofit entities, as well as other Government organizations. The grant of this class waiver, therefore, will not only be consistent with legislative intent of Bayh-Dole, but will also reflect the guidance provided to DOE in Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5908), as implemented by DOE regulations governing the granting of patent waivers, in the 1983 Presidential Memorandum on Government Patent Policy, and Executive Order 12591.

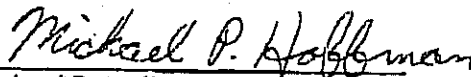
*no  
on  
meaningful  
list of  
research  
data*

It is within DOE's programmatic purposes under the INCITE Program to encourage widespread utilization of supercomputer user facilities in the support of computer intensive research. It is believed that providing exclusive rights to patentable inventions (without Government rights) made by the Industrial Users of the supercomputer user facilities would best encourage such utilization. By not requiring full-cost recovery for such rights, this waiver should also promote the commercial utilization of subject inventions and make the benefits of supercomputer user facilities widely available to the public in the shortest practicable time. Accordingly, this waiver is consistent with the objectives and considerations of DOE's patent waiver regulations.

In view of the fact that this waiver will only apply to Industrial Users selected under the INCITE program, there appears to be little chance the waiver would cause an adverse effect of competition.

The availability of this class waiver for the Industrial Users shall be automatic upon a determination by the DOE Field Patent Counsel responsible for the supercomputer user facility where the work by Industrial User will be performed that the user is qualified and selected to have access to the facility, consistent with the INCITE program and all applicable computer security requirements.

Accordingly, in view of the objectives to be attained and the factors to be considered under DOE's statutory waiver policy, all of which have been considered, it is recommended that a waiver of U.S. and foreign patent rights to Industrial Users participating in the INCITE program under solicitations for FY 2007 and beyond, as described above, will best serve the interests of the United States and the general public. It is therefore recommended that the waiver be granted.



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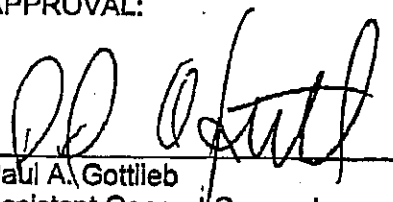
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Date

Pursuant to the authority provided in Section 152 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2182), Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5908), and the implementing regulations promulgated thereunder for waivers of patent rights, it is concluded that it is in the best interests of the United States and the general public to grant a waiver of patent rights to the class represented by Industrial Users under the 2007 FY INCITE program. Therefore, it is ordered that a waiver of U.S. and foreign patent rights to the class of Industrial Users described in the foregoing Statement of Considerations is hereby granted. The waiver is limited to inventions of the Industrial Users which are conceived or first actually reduced to practice in the course of or under an agreement for the use of the supercomputing facilities for the INCITE program, and is subject to all the limitations, terms, and conditions set forth in the foregoing Statement of Considerations. The Assistant General Counsel for Technology Transfer and Intellectual Property shall be responsible for issuing instructions for implementation of this waiver in accordance with DOE regulations for the waiver of patent rights.

CONCURRENCE:

  
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Associate Director  
Office of Advanced Scientific Computing (SC-21)Date 1/3/07

APPROVAL:

  
Paul A. Gottlieb  
Assistant General Counsel  
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